

**REMARKS**

Claims 1-24 are pending in the application.

While Applicant believes that all of the claims are patentable over the cited references of record, to speed prosecution, independent claim 22 is amended merely to define more clearly and particularly the features of the claimed invention.

It is noted that the claim amendments are made only for more particularly pointing out the invention, and not for distinguishing the invention over the prior art, narrowing the claims or for any statutory requirements of patentability. Further, Applicant specifically states that no amendment to any claim herein should be construed as a disclaimer of any interest in or right to an equivalent of any element or feature of the amended claim.

Claims 1-24 stand rejected on prior art grounds under 35 U.S.C. § 103(a) as being unpatentable over Roll (U.S. Patent Application Publication 2002/0016779) in view of Phaal (U.S. Patent No. 6,055,564).

These rejections are respectfully traversed in view of the following discussion.

**I. THE CLAIMED INVENTION**

In the illustrative, non-limiting embodiment of the claimed invention, as defined in independent claim 1, is directed to a method for conducting electronic commerce that comprises electronically visiting, by a customer interested in shopping for an item, a preselected comparison shopping site (CompShop), and inquiring about the item and comparative prices thereof, running, by the preselected comparison shopping site, a query on a plurality of electronic stores carrying

the item, and asking for a price of the item, the plurality of electronic stores including at least one smartStore, determining by the at least one smartStore that the query is received from the preselected comparison shopping site, and selectively determining, by the smartStore, an offer price of the item and selectively returning one of a static price and a modified price, the modified price resulting from the smartStore learning a best offer price received by the preselected comparison shopping site from the plurality of electronic stores.

Independent claims 22-24 define other exemplary systems and methods which recite somewhat similar features as independent claim 1.

An aspect of the claimed invention as exemplarily defined by independent claims 1 and 22-24 provides that if the customer has accessed a preselected comparison shopping site, **then a smartStore, which recognizes the price query as originating from the preselected comparison shopping site, may determine that a modified price based on competitive prices and a profit margin is necessary.** On the other hand, if the customer has not accessed the preselected comparison shopping site, **the smartStore can determine** to return a static, i.e., standard price.

The above operation can be compared to the traditional model of “coupon clipping” or “mail in rebates.” Stores, i.e., those stores which are analogous to the smartStore, typically give a special price to customers who bring in coupons, where the coupon represents “shopping” through a medium, for example, a newspaper in which the store has advertised. Bringing in the newspaper coupon is analogous to accessing the preselected comparison shopping site of the invention. However, the stores rely on the fact that there will be many customers who do not clip

coupons or who will forget to turn in the mail-in rebates (e.g., see specification, page 3, lines 19-22).

## **II. THE PRIOR ART REJECTIONS**

Claims 1-24 stand rejected on prior art grounds under 35 U.S.C. § 103(a) as being unpatentable over Roll in view of *newly cited* Phaal.

For the Examiner's convenience, Applicant's traversal arguments set forth in the Amendment under 37 C.F.R. § 1.111 filed on June 7, 2004 and the Amendment under 37 C.F.R. § 1.116 filed on November 10, 2004, are incorporated herein by reference in their entirety.

In the present Office Action, the Examiner now alleges that Roll discloses all of the features of the claimed invention, except that Roll does not disclose "that the smartStore [home provider store in Roll] server and the preselected comparison server are two different web sites" (see Office Action at page 4, lines 1-2).

However, the Examiner alleges that in Roll, the home provider store in Roll (which the Examiner compares to the smartStore server) and the preselected comparison server are shown as part of one large Web server, which provides different services.

The Examiner also cites Phaal as allegedly teaching that when a host is processing several different functions its resources could become stretched and result in consumer's frustration in not being able to access the system. The Examiner asserts that Phaal discloses splitting the operations between two different websites 17 and 18 to handle the work load faster and efficiently.

Thus, the Examiner alleges that, in view of Phaal, it would have been obvious to one of ordinary skill in the art to split Roll's host provider Web site into smaller websites, thereby separating the "Product/Service Pricing engine 405" as a separate website handing submitting offers based on feedback received from the other e-stores.

The Examiner states that splitting the operations of a website into two web sites catering to two different operations to handle the load efficiently does not rise to the standard of novelty because this practice is well-known. The Examiner further states that splitting Roll's host provider's web site into separate websites but being managed by a large server does not destroy its invention because all contemplated functions and objectives can be performed as envisaged and would improve the handling of load from the customers (e.g., see Office Action at pages 4-5).

For the following reasons, Applicant respectfully submits that the Roll reference does not disclose or suggest all of the features of claims 1-24. Therefore, Applicant respectfully traverses this rejection.

First, Applicant appreciates the Examiner's detailed explanation of the basis for the new grounds of rejection. However, Applicant respectfully submits that, assuming *arguendo* that such modifications to Roll would have been obvious from Phaal, it is unclear how "splitting" Roll into separate websites would arrive at the claimed invention, as defined for example by claim 1.

For example, independent claim 1 recites, *inter alia*, a method for conducting electronic commerce, including:

*electronically visiting, by a customer interested in shopping for an item, a preselected comparison shopping site (CompShop), and inquiring about the item and comparative prices thereof;*

*running, by the preselected comparison shopping site, a query on a plurality of electronic stores carrying the item, and asking for a price of the item, the plurality of electronic stores including at least one smartStore;*

***determining by the at least one smartStore that the query is received from the preselected comparison shopping site; and***

*selectively determining, by the smartStore, an offer price of the item and selectively returning one of a static price and a modified price,*

*wherein the modified price and selectively returning, by the smartStore, of said one of the static price and the modified price result from the smartStore learning a best offer price received by the preselected comparison shopping site from the plurality of electronic stores (emphasis added).*

The present invention provides a novel and unobvious method and system wherein all participating sites (some of them **smartStores** and others not) compete by offering lower prices based upon the fact that there is a comparison shopping site that is making them participate in a dynamic pricing competition.

In important aspect of the invention is that the participating sites (not the comparison shopping site) offer competitive prices based on the determination that the query is received from the preselected comparison shopping site (i.e., that they are participating in a system of comparative shopping).

Because the smartStore determines that the request for price comes from the comparison shopping site, and not from a direct user, the smartStore determines (e.g., knows) that it is participating in a system of comparative shopping and the smartStore may offer a better price.

In comparison, the Examiner alleges that Roll discloses determining by the host provider (which the Examiner compares to the smartStore) that the query is received from the alleged preselected Compshop (which the Examiner compares to the “split” portion of the host provider).

However, Applicant respectfully submits that, contrary to the Examiner’s position, there is no disclosure in Roll for making such a determination, or for that matter, any need for making such a determination.

That is, Figure 10a of Roll merely discloses that the inquiry first comes from the user to the CMS (e.g., see steps 501-506). The Centralized Management System (CMS) then checks the database of the host provider for product information internally and externally (see 507) and sends requests to external vendors (see 508). The CMS then determines if the product is offered internally (see 511), and if it is, sends the external pricing info to the pricing engine (405) which returns the price to be offered (see 512).

Thus, assuming *arguendo* that the host provider of Roll is “split” into two separate websites to cater to different operations, as alleged by the Examiner, then some *portions* of the CMS would (at best) be comparable to the CompShop. On the other hand, the pricing engine and some of the other operations performed by the CMS (which would need to be “split” from the CMS) would be (at best) comparable to the smartStore, which allegedly “determines if a price is to be offered internally”.

However, irrespective of whether the host provider is a single web site, or split into two separate web sites, Roll does not disclose or suggest that the pricing engine and the portions of the CMS receive queries or pricing requests from any other sources other than the CMS.

Thus, Roll clearly does not disclose or suggest that the “split” pricing engine and portions of the CMs would have any need for “determining ... that the query is received from the preselected comparison shopping site”, since the query is only disclosed as being received from a single source.

Applicant respectfully submits that “splitting” the CMS and pricing engine of Roll into separate web sites clearly does not make up for the deficiencies of Roll, as compared for example to independent claim 1.

That is, at least the additional feature of receiving queries from more than one source (i.e., other than the CMS (alleged comparison shopping site)), and then another step of “determining ... that the query is received from the ... comparison shopping site”, as recited in claim 1, also would need to be added to the alleged “splitting” of the web sites.

However, Applicant submits that clearly Roll and Phaal, either individually or in combination, do not provide any motivation or teaching for adding such features. Indeed, Roll does not mention (and, the Examiner has not alleged) that the pricing engine receives a “query” from any other source (such as a shopping site which is or is not a comparison shopping site) other than the CMS. Again, there would be no reason to make the claimed *determination* that the query is received from the preselected comparison shopping site (as opposed to a non-comparison shopping site) if the query is received from only a single source.

Moreover, even assuming *arguendo* that the query is received from more than a single source, Roll does not disclose or suggest treating a query from a comparison shopping site differently than a query from a non-comparison shopping site.

Thus, in view of the teachings of Roll and Phaal as a whole, a motivation for modifying Roll in the manner alleged by the Examiner, and in a way that allegedly would arrive at that claimed invention, only reasonably would be derived from Applicant's own disclosure, which clearly is not permissible (i.e., impermissible hindsight based analysis).

Thus, Roll clearly does not disclose, suggest, or even mention “determining ... that the query is received from the preselected comparison shopping site”, as recited in claim 1, and also as somewhat similarly recited by independent claims 22-24.

Moreover, Applicant respectfully submits that the Examiner's stated position also has mischaracterized some of the features of Roll.

For example, in the preset Office Action, the Examiner states that Roll allegedly discloses that the host provider store (compared to the smartStore) determines “if a *price* is to be offered internally” (see Office Action at page 3, paragraph 2). However, contrary to the Examiner's position, step 511 of Roll, in fact, discloses determining if a “*product*” (not “*price*”, as alleged) is offered internally. That is, Roll checks to see if the “*product*” being requested is offered internally by the host provider, and if it is, sends the external product information to the pricing engine (e.g., see Roll at page 4, paragraph [0052]).



In fact, the disclosure of Roll merely “determines if a *product* is to be offered internally” (see 507 and 511), which clearly is not the same as determining whether a *query* is received from a comparison shopping site, as recited in claim 1.

Indeed, whether the price or product is offered internally has nothing to do with whether the **query** received is from a comparison shopping site.

Again, in Roll, the **query** received by the pricing engine is disclosed only as being received from the CMS. Applicant submits that interpreting the pricing engine of Roll as receiving queries from other sources clearly would be inconsistent with the actual disclosure of Roll (e.g., see Figure 10a, step 512, in which only the CMS sends information to the pricing engine)

Moreover, Applicant respectfully submits that Roll clearly does not mention, or even contemplate, the problems identified in the present application or the advantages provided by the method according to the claimed invention.

Also, even assuming *arguendo* that Roll could be construed to include a query being received from more than a single source, Roll clearly does not disclose or suggest treating a query from a comparison shopping site differently than a query from a non-comparison shopping site.

Thus, Roll clearly does not disclose, suggest, or even mention “determining ... that the query is received from the preselected comparison shopping site”, as recited in claim 1, and also as somewhat similarly recited by independent claims 22-24.

For the foregoing reasons, Applicant respectfully submits that claims 1-24 clearly are not disclosed or suggested by Roll and Phaal, either individually or in combination.

Therefore, Applicant respectfully requests that the Examiner reconsider and withdraw this rejection and permit these claims to pass to immediate allowance.

### **III. CONCLUSION**

In view of the foregoing, Applicant submits that claims 1-24, all the claims presently pending in the application, are patentably distinct over the prior art of record and are in condition for allowance. The Examiner is respectfully requested to pass the above application to issue at the earliest possible time.

Should the Examiner find the application to be other than in condition for allowance, the Examiner is requested to contact the undersigned at the local telephone number listed below to discuss any other changes deemed necessary in a telephonic or personal interview.

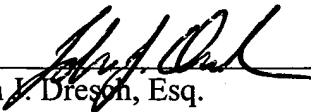
Serial No. 09/676,529  
Docket No. AM919990149US1  
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The Commissioner is hereby authorized to charge any deficiency in fees or to credit any overpayment in fees to Assignee's Deposit Account No. 09-0441.

Respectfully Submitted,

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